

AMENDED IN SENATE JULY 13, 2005

AMENDED IN SENATE JUNE 20, 2005

AMENDED IN ASSEMBLY APRIL 19, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 249

Introduced by Assembly Members DeVore and Walters

February 8, 2005

An act relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 249, as amended, DeVore. Personal income taxes: tax forms.

The Personal Income Tax Law, which is administered by the Franchise Tax Board, imposes taxes upon the taxable income of specified persons. Existing law authorizes a taxpayer whose total income, as defined, is less than a specified amount to utilize Form 540 2EZ, as prepared by the Franchise Tax Board. The definition of "total income," for purposes of determining a taxpayer's eligibility to utilize Form 540 2EZ, does not include income derived from capital gains.

This bill would require the Legislative Analyst's Office, in conjunction with the Franchise Tax Board, to conduct a study regarding the taxpayers' usage of Form 540 2EZ, as specified, *and to report to the Legislature, no later than January 1, 2008, the results of that study.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislative Analyst’s Office, in conjunction
2 with the Franchise Tax Board, shall conduct a study regarding
3 the tax form 540 2EZ that shall include, but not be limited to, the
4 following items:

5 (a) The methods by which taxpayers become aware of Form
6 540 2EZ, and the number of taxpayers who file their tax returns
7 using Form 540 2EZ, as compared to the number of taxpayers
8 eligible to use that form.

9 (b) The percentage of taxpayers eligible to file Form 540 2EZ
10 who use a professional tax preparer.

11 (c) The percentage of returns, prepared by professional tax
12 preparers, that are filed on Form 540 2EZ.

13 (d) An analysis of e-filing of Form 540 2EZ, including the
14 ability to print and mail the form in a PDF format instead of
15 filing it electronically.

16 (e) The number of taxpayers who would be eligible to use
17 Form 540 2EZ if the restriction on capital gains were removed.

18 (f) Any additional information that would increase taxpayer
19 compliance and simplify tax filing.

20 (g) The increased availability of fileable and calculable
21 income tax forms and schedules on Franchise Tax Board’s Web
22 site.

23 (h) The number of additional filers who used Form 540 2EZ
24 due to Section 19582.5 of the Revenue and Taxation Code, as
25 amended by Chapter 844 of the Statutes of 2004.

26 *SEC. 2. The Legislative Analyst’s office shall report to the*
27 *Legislature, no later than January 1, 2008, the results of the*
28 *study regarding the taxpayers’ usage of Form 540 2EZ, as*
29 *provided for by Section 1 of this act.*

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